



# City of Las Cruces®

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## Capital Improvements Advisory Committee

Minutes for the Meeting on

Thursday, March 17, 2016

1:30 p.m.

Utilities Center

Conference Room 218

### Committee Members Present:

Lonnie Hamilton, Chair

Max Bower, Vice-Chair

William Beerman, Committee Member

Ron Johnson, Committee Member

Eugene Suttmiller, Committee Member

### Other:

John Moscato, Sierra Norte

Development/Las Cruces Homebuilders  
Association

### City Staff Present:

Travis Brown, Fire Chief

Carl Clark, RES/TS Administrator

Justin Dunivan, Deputy Police Chief

Dr. Jorge Garcia, Utilities Director

Mark Johnston, Parks & Recreation Director

Loretta Reyes, Public Works Director

Carolynn Rouse, Utilities Office Assistant Senior

Alma Ruiz, Utilities Office Manager Senior

Ted Sweetser, Fire Marshal

Chair Hamilton: Called the meeting to order at approximately 1:30 p.m. We have Quorum present so we will start the meeting.

### Acceptance of the Agenda:

Chair Hamilton: Has everyone had a chance to look over the agenda of today's meeting?

Johnson: I'll make a motion we approve.

Chair Hamilton: Is there a second? If not, I'll entertain a motion for approval.

Beerman: Second.

Chair Hamilton: All in favor? Aye.

Suttmiller: Aye.

Beerman: Aye.

Johnson: Aye.

Vice-Chair Bower: Aye.

## **The Agenda was Accepted Unanimously. 5-0**

### **Acceptance of the Minutes:**

#### **a. Regular Meeting of February 18, 2016.**

Chair Hamilton: Has everyone had an opportunity to review the minutes of the previous meeting? If you have, I'll entertain a motion.

Vice-Chair Bower: Move to approve.

Suttmiller: Second.

Chair Hamilton: All in favor? Aye.

Suttmiller: Aye.

Beerman: Aye.

Johnson: Aye.

Vice-Chair Bower: Aye.

Chair Hamilton: Motion carries.

## **The Minutes were Accepted Unanimously. 5-0**

### **New Business:**

Chair Hamilton: I'm going to go ahead and throw this out on the Board. I know that we're working under some really unusual timing here with the Chief retiring in May. It's kind of moved our timeframes around a little bit. I had indicated in December that I'd like to see this through as the Chairman just to make sure that we had all the consistency and a clean break on all of the review processes that we're going through, and trying to get the new fees in place and those kinds of things. I've had a second thought on that. I feel like we probably should go ahead and have a new Chairman and new Vice-Chair put in place. With that said, I would like to recommend that Ron Johnson become the Chairman of this organization, and I'd like to ask Bill Beerman if he would serve as the Vice-Chair. Max, unfortunately, has got some business interests that are going to take him out of the mix and we're trying to find someone that fits the Homebuilders group in our mix of CIAC membership. Once that's filled, then we'll see where that takes us. Does anyone have a problem with that recommendation?

Johnson: No. When did you want to do that, today?

Chair Hamilton: Yes. Is that a motion?

Johnson: Yes. I didn't know there was a motion on the table.

Chair Hamilton: Is there a second?

Vice-Chair Bower: Second.

Chair Hamilton: All in favor?

Johnson: Aye.

Vice-Chair Bower: Aye.

Beerman: Aye.

Chair Hamilton: Aye.

Chair Hamilton: Mr. Chairman, Mr. Vice-Chairman, welcome aboard.

Johnson: That's next month, right?

Chair Hamilton: Yes.

**Old Business:**

Chair Hamilton: Travis, let's hear from you and see what you've got for us.

Chief Brown: Good afternoon, Mr. Chairman, Committee Members. We have two brief presentations. The first, for the most part, you've seen all of this before. I'm going to go through the first five or six slides, and then at that point I would look for direction from the Committee whether we need to go back through the additional presentation that's been provided on a couple of occasions. Starting out, this first slide was something that was requested a couple meetings ago when we made our initial presentation. This was to demonstrate to the CIAC the cumulative impact of Development Fees to include Parks, Water, Wastewater, and Public Safety. As you can see here, with the single-family, and I only did these again single and multi-family because once you start getting into commercial, it just changes so dramatically based on the size of meter, Water, and Wastewater, and based on type of business within the Public Safety Impact Fees.

We're looking at single-family and you can see the fees there, with the proposed fees for Public Safety as they currently stand, we'd be looking at roughly a 1-3.3% overall increase in the Development Impact Fees. In the multi-family, depending on the size of the unit because under our proposed fee schedule, instead of being a single fee for a residential development it would be based on size, so the impact could actually see a reduction in some cases

for smaller apartment complexes or complexes with smaller apartments, singular apartments, up to potentially an 8% increase per unit on the high end.

Just to remind you, on the Wastewater and Water fees, there is a breakdown that is established and that cost is shared through the builder, the customer, as well as the ratepayers. That information is on the bottom. No change to this slide from what we talked about previously, but since we do have a couple of the Committee members that weren't here last time, we wanted to just go through them all again one last time.

Any questions on that before we move on, Mr. Chairman?

Chair Hamilton: Any questions? All right.

Chief Brown: The other thing that has come up on multiple occasions. and Mr. Bower has suggested this even going back a couple of years to some of the Park Impact Fees and Utility fees, is the fact that we look at fees, but if we're not also looking at what people are making within our community, then we're not necessarily seeing the entire picture. We've tried to gather some of that information in the short period of time we've had over the last few months. You can see this information is actually a projection that is establishing the current median household income and average household income, and then what that is projected to be in 2020 showing the percent change for those figures, and then off to the right the percent change of the proposed Public Safety Impact Fees. Again, in some cases, it could be a slight decrease up to a possible 38.8% increase. The percent change for the cumulative fees again is the 1% to roughly 3.3%. Just as a reminder, and part of the reason we looked at this at a five-year period is because if these fees are adopted, then the City is required to come back and review and update at least every five years. So roughly we thought this was a reasonable time frame because if the fee is adopted today, it will be in place most likely for approximately the next five years.

When we showed this at the last meeting, there were some additional questions that came up about trying to get some of the historical data, so we did go to the US Census web page as was suggested by Mr. Johnson. This is the information that we were able to pull out, at least on what we could find there. 2000 was the earliest we could start with and then from 2009-2014 as you see. This shows the median household income, and how that has changed over the course of roughly the last 14-15 years within our community.

Questions on that, Mr. Chairman or members of the Committee? Again, it wasn't our intent to try to draw any conclusion from any of this, it's just something that certain members of the Board had asked about and requested, so we're trying to provide that in order for you to feel you have all the information necessary to make your recommendation.

Chair Hamilton: I think you've done a good job of doing that, Travis. The thing that we were interested in is the growth rate of the employed in the area compared to the expenses that we're incurring, and trying to be fair with the analysis there. We appreciate it.

Chief Brown: Moving on, Mr. Chairman. The other thing that came up was a question about since we are proposing a change in the fee structure to going away from a single fee regardless of size of home to a system, that the fee would be based on range of size for residential unit. This information was showing in 2014 how things would have been broken up, so in the category of 1,300 or less square feet or less, of the 380 total residential units in 2014, there would have been approximately 10% of the units that would have fallen in that category, 18% in the 1,301-1,700 range, 27% in the 1,701 to 2,100 range, and then 45% in the 2,101 or larger range. That's how the fee would have broken down, and just as a reminder from the proposed fees by TischlerBise, we are talking about for a single family residence, the change in fees at that 1,301-1,700 square foot range was a \$73 increase as proposed for single family residential, \$196 increase for the 1,701-2,100 and then at \$248 increase for the 2,100 and over.

Chair Hamilton: It's not a large dollar, but the percentages are pretty large.

Chief Brown: Yes. So those are the 2014 numbers. These are the 2015 numbers that Community Development was finalizing some of the year end stuff, and so this we were able to put together. The previous slide was actually something that Dr. Guthrie had already developed. This one, with assistance of Community Development we came up with these numbers and you can see the percentage breakdown there in the right hand corner, as well as the specific numbers for each category. Once again, as you will see here, the most significant portion is in that 2,100 and over area, especially in 2015 it was even a much higher percentage than it was in 2014.

As far as the presentation, Mr. Chairman, that's really all the new information we have based on our last meeting. We have also included the presentation that was made by TischlerBise. I can go through that again if you would like, but there has been no change to that presentation, which is the second, the back side of your packet. None of those numbers or figures have changed. None of the information is any different than was presented at the last meeting, but it's at the Committee's will how you would like to proceed as far as that presentation, or just move into questions and comments.

Chair Hamilton: Well, let's see what kind of questions we've generated. Max, do you have any comments or questions to begin with?

Vice-Chair Bower: Not quite yet.

Chair Hamilton: Ron?

Johnson: Not yet. I'm surprised at the comparison between 2014 and 2015, it's incredibly large. Just in the number of units.

Chief Brown: Mr. Chairman, just for clarification. In 2015 I am fairly certain that 364 total units were single-family only, whereas the 2014 data did include some apartments and I believe a handful of townhomes. I probably have that specific information somewhere, I could get it if that was necessary. There is a slight difference in that just based again on what Community Development was able to extract from our last meeting to this meeting.

Chair Hamilton: Travis, the CIP that you're looking for in your list of needs over the next 10-year period, the only thing that really becomes an issue is the add-on of the Narcotics Training Center. In that particular instance, I think we've talked that over pretty clearly, but the thing that we found that might be out a little bit that could be adjusted might be some of the expenses that you're going to incur with that. I think that in the discussions also it became pretty clear that we're in an area where there's a lot of nefarious activity that comes across the border at times and the better trained, the better conditioned, the better we're prepared, I think the better off we'll all be. I don't know what the feeling of the CIAC is at this point, but that's my first glance on that.

Chief Brown: Mr. Chairman, if I could just add on to that a little bit as a reminder. The Capital Improvement Projects that are identified in here have nothing to do with the establishment of the fee. The fee was established based on the existing level of service and the methodology that was used by TischlerBise from that and then the Land Use Assumptions they projected. If based on Land Use Assumptions where we are today, if we saw the growth that was identified through the Land Use Assumptions, we would end up needing in a 10-year period as they presented it this many more square feet of building, this many more vehicles.

The fee itself was really, if you recall Dr. Guthrie talking about, the question came up, "Well, what if we don't meet those projections?" and his response was, "Then nothing happens". If we establish the fee, if we experience the growth and the Land Use Assumptions are right on target, then we will have the money to build the infrastructure, we'll be very closely matched. If we don't experience that growth, we don't bring in the fee, but then by default we will not need as much new square footage of infrastructure or as many new vehicles, so it's somewhat of a self-correcting methodology that he used. If we are fortunate and we see twice the growth that is called for, we will see twice as much fee, but then there will also be twice as much need and together it will all level out.

I would agree with some of the discussion about which one of these would we need, or would we end up building that; however, even if we were to remove something out of that, it wouldn't change or lower the fee. I just want to make

sure that was clear for the Committee because in essence, it's not going to have an impact on what the recommended fee is going to be.

One thing, Mr. Chairman, while people are looking over the numbers. Just as a reminder, I think we talked about this when we did the Land Use Assumptions. Based on the Ordinance as it is written, the Capital Improvements Advisory Committee is required to make its statements or comments at least five days prior to this going to City Council. That's not going to be an issue, but when we get ready, if the Committee decides that they are going to take some type of action today, then if it's your desire we can just incorporate those comments and specifically state in the minutes that the following statement is to be considered the comments by the Capital Improvement Advisory Committee for the record, and then we can just include the Minutes to meet that requirement as opposed to a separate document or something having to be drafted or sent forward as part of our packet that goes to City Council.

Chair Hamilton: I appreciate the ease, but I think it's better if we do a white letter to issue our wishes to the City Council, but thank you, Travis. That's a good thought.

Vice-Chair Bower: Mr. Chairman, Chief. I'm looking for where, because it's got the cumulative, but as it relates to the proposed and current on just the Public Safety. What page, do I have to go back to the TischlerBise portion or was it in the newer one as well today?

Chief Brown: Mr. Chairman, Mr. Bower, I'm not certain I understand what you're looking for.

Vice-Chair Bower: I think I found it, here it is.

Chief Brown: Are you talking about the proposed new fees?

Vice-Chair Bower: Yes.

Chief Brown: That would be the second presentation, probably page two or so.

Vice-Chair Bower: Is it that one right there with the current and proposed?

Chief Brown: Yes. It would start with this and then have a table summary of updated Development Fees. It would be page three of this second presentation. I can get to that so we can pull it up here. This is the proposed Schedule of Fees, Mr. Bower, if that's what you were asking.

Suttmiller: Why the drop in hotel?

Chief Brown: Mr. Chairman, Mr. Suttmiller. We as staff asked that same question and the explanation by Dr. Guthrie was that with the previous consultant, with the methodology they used hotels and motels were considered more of a

residential use and unit, so they used a more similar methodology to what's used for the multi- and single-family homes. In this case, TischlerBise used the same methodology that they used for the remainder of the commercial properties, which again had to do more with the trip, travels, and the breakdown based on the functional population shown on page four.

Suttmiller: It just jumps out at you.

Chief Brown: Yes, it does. Believe me, we asked the same exact question.

Vice-Chair Bower: Chief, could you pull up the pie chart again that had the percentages divided by square footage of homes?

Chief Brown: Yes, sir. Is that the one you were looking for, Mr. Bower? That's the 2014 information and then the 2015?

Vice-Chair Bower: I think this was David Weir at the time that gave this part in one of the previous proposals, but the square footage being used is including the garage, correct?

Chief Brown: Mr. Chairman, Mr. Bower. This information I believe has excluded the garage so it would be consistent with the previous slide as far as the breakdown. The information that Mr. Weir and Community Development as they track it does include the garage, but I believe they subtracted the garage square footage from these numbers before we put it into the chart.

Vice-Chair Bower: Mr. Chairman, do you have a copy of the statute itself by any chance?

Chair Hamilton: The statute?

Vice-Chair Bower: The Capital Improvement.

Chief Brown: I do, Mr. Chairman, if you need it.

Chair Hamilton: Do you mind sharing it with us? You can probably lay your hand on yours quicker than I can.

The bottom line in all this is we're not talking about matching overall differences in the revenues collected, they're almost simultaneous. The fee's still going to be \$7,400 or \$7,400 basically, it's just a fractional difference but those two numbers right there jump out at you and that's what's going to impact the people moving into the community. That's going to be the biggest hit. It's a small number, but it's a big percentage. That kind of increase and this change in methodology is where I came back to justify that that's where they're getting those numbers from.

- Johnson: I think, Chief Brown, our concern is, who are we going to impact? How large that impact is going to be on these people who are buying these larger homes in the community? Obviously, all of that is anecdotal. We can only make a judgement of how that's going to be impacting because the numbers are very small, but they total up to just for those two categories, an increase of \$7,000.
- What we're looking at is on your chart, on page 9, which is a good chart. We can just see the comparison, but then we're trying to extrapolate out as to what that difference would be if we're applying it to 2015 numbers because 2015 and comparing them against the proposed rate, the current rate, we just want to be realistic as a Board of who we're touching. Maybe we're dancing on the head of pin in that it's marginal, and really there's no real big adjustments from this year because the philosophy is pretty much the same in terms of our methodology. We just want to be, as a Board, be aware of what those numbers are, and so we have our guest who's coming to dinner at the board.
- Chief Brown: Mr. Chairman, Mr. Johnson, again, that's why we provided this information.
- Johnson: Its good information, you did it exactly right. I'm not criticizing the presentation, but when you go from a -28%, then to an 18%, then to 11% and then boom, 30%, almost 40% up there. It's a concern that we want to know the reality. \$1 to \$2 is a certain percentage, but on a big ball it's hardly nothing. We just want to make sure that we can vote with a consciousness of what we're saying.
- Chief Brown: Understood, Mr. Chairman. The only thing I would throw out there, and I'm sure you as a Committee have already considered this, we're also talking about a difference in cost of those homes as the sizes go up. I don't know what the average cost of a home in our community over 2,100 square feet would be compared to the cost of a home at 1,700 square feet, but the percentage increase on that cost may not necessarily be much more out of line. Here it's based on what the fee was previously. Just something I would throw out there.
- Johnson: I'm with you, I understand.
- Chair Hamilton: In the entire swing of things, the total proposed fees are only going to be increased 1% to 3.3%, right?
- Johnson: Right.
- Chair Hamilton: The thing that bothers everyone is when you see a 30% increase in a fee, no matter how small it is, that's a huge percentage. We're talking about current fees in total being \$7,602 for a project compared to the total proposed fees depending on the size structure of \$7,600, \$7,500, \$7,850. That puts things in a box and that's kind of where we got to at the last meeting, in justification instead of going in trying to re-analyze every piece of the TischlerBise report.

We're not trying to be argumentative, but we're trying to make sure that we're doing the right thing in our recommendations, Travis.

Chief Brown: Mr. Chairman, I have never taken you or any of the rest of the Committee as doing anything other than that. We appreciate the fact that you take your responsibility seriously, and that's why we're even more confident that when the recommendation comes from this Committee it's going to be something that was definitely vetted out, you did your due diligence, and we'll move forward from there.

Chair Hamilton: Thank you.

Johnson: I would only say, Chief, in terms of going forward, there may be some verbalization of reasons not in your report, but for Parks or somebody else to say when you've got a -28%, a verbal summary saying, "We got there because of this." Three or four words just to remind us that you told us three months ago something, and we forgot it, so that over here we can have -28%, what was the reason for that? This was the reason for that. Maybe that's going forward for Mark and so on and so forth, so that everything gets really transparent for us up here. How are we doing, Max?

Vice-Chair Bower: Almost there.

Johnson: Great.

Vice-Chair Bower: I'm looking at the whole thing with the income because what we're trying to figure out is the hit at the end of the day. This \$40,000 median income, I took the 5-year projection and just averaged it in half so it's basically 50%. I took the two numbers and just basically averaged them so that puts us at \$40,000. Today's rate is 3.92% on a 30-year fixed. You take that and divide it into the income, so that's a 31% debt to income ratio, which is at the upper limit of qualifying.

Chief Hamilton: I think another seasoning factor in that too, Max, is that you have to take that \$40,000 median and there's a group of people in there that are not homebuyers, and that may scale up. That takes some of the relief out of the 31% debt to income ratio.

Vice-Chair Bower: Yes. So it could be 25% to 31%.

Johnson: But also when you get to housing size, Max, it may be important.

Vice-Chair Bower: What I'm doing is I'm doing \$170,000 median price with an average loan of 90% and 10% down. Most of them are a little lower, but what I'm doing is just balancing out because of the PITI and basically trying to figure out what people can actually afford. If that's today, and this goes up to say 5%, then that's going

to take the median price down to \$150,000 from an affordability standpoint regardless of size, if you're looking at it based on what people actually can afford.

Chair Hamilton: I hear what you're saying, Max, and I have a question for the Chief. Why do we have the average household income at \$50,000+ and the median household income, which median and average is to me pretty similar, why we have a \$10,000 discrepancy is my question.

Chief Brown: Mr. Chairman, Committee members, the simple answer is because that's how the ESRI people presented it. That's what the information says. My understanding of median is that's the point there's a same number above as below, and it is not the same as average. There is a difference generally speaking between those points.

Johnson: There's going to be a bunch of income higher to pull that up, just like you said there's a whole bunch of people that aren't homebuyers.

Chair Hamilton: Right. I think the larger these homes get, the more revenue you've got to spend.

Suttmiller: That's my concern, Mr. Chairman, is that there's a real shortage of houses in Las Cruces for the poorer people. The smaller houses, newer smaller houses. We've got plenty of old, falling down smaller houses. We don't have a lot of newer smaller houses that people in the \$40,000 range can afford to buy, so they don't get built and our housing in that area is going downhill.

Vice-Chair Bower: What this means is, all things being equal, if income over five years is average at \$40,000, we're using the average of \$40,000 for the five year projection, today we're at this in order to make affordability work. I'm not making this up, this is basically what if you're going to get a loan from FHA, Fannie Mae, or Freddie Mac - they're looking at this. This calculation basically says that at this rate, this is what you can afford, at this rate, this is what you can afford to make the payments stay the same. Then if it goes up to 6%, okay. What's the point of all this? What's our cumulative impact fee on the proposed?

Chair Hamilton: \$7,675 to \$7,850 compared to \$7,602.

Vice-Chair Bower: Okay. So take the two top.

Chair Hamilton: It's \$250.

Vice-Chair Bower: Let's call it \$7,700. So right now, this would be a total impact fee of 4.5% and here it's now it's 5.1%. Correct me if I'm wrong, but wouldn't that mean for every 1% in interest rate rise, we can expect 0.5% less buyers? Does that make sense? You're the banker.

- Chair Hamilton: I understand what you're saying, Max. That's going to be in the ballpark. The thing that still concerns me is that we're using the \$40,000 median income, and if the average is \$50,000, I think the average is probably a better number to work from. That would put you another \$10,000 in there and that lowers all of those percentages down.
- Vice-Chair Bower: That would go to \$180,000, \$162,000.
- Chief Brown: Mr. Chairman, if I could just be very simplistic-minded about this. We're talking about on the maximum end for the single-family, since that's what we're discussing, of \$248. So really, as far as what we're talking about impact to affordability of a new home, we're talking about now the average loan size going from \$153,000 to \$153,268. Once again, I think we would have, based on what I believe I understand Mr. Bower is trying to point out here, we're really talking about now that \$253 increase on the price of a new home, that's truly all that's changing. If we compare that \$253 to \$153,000, the difference in the payment for that person is, I believe, even less than \$1 or not too much over that.
- Johnson: Chief, isn't it correct that that \$253 at the upper end we're talking about is probably on a \$250,000, \$300,000, \$350,000, or \$400,000?
- Chief Brown: Mr. Hamilton, Mr. Johnson, I would believe that's the case, but again that's pure speculation. I'm saying even based on these numbers, I don't think we can say if the Impact Fee increase of 4.5% on the monthly payment, because you're going to finance that \$250 into your loan. I think if we look at the true affordability or change in affordability on a house, we have to look at it as how much is the impact fee adding to the loan value and regardless of what happens with interest rates up or down, that is going to have an impact on the market but that is not going to, I don't believe is going to determine whether the Impact Fee, if we dropped the impact fee back to what it was, again we're still talking no change in Impact Fee from what it is right now. Mr. Bower's numbers are still going to be the same. We're going to see those increases regardless of a change in Impact Fees.
- Chair Hamilton: This scenario already exists. What we're talking about is just the real reason that we wanted the income information. I've still got a little bit of confusion, which one of these numbers we should be using, whether it should be the \$50,000 or the \$40,000. In my opinion, it probably should be the \$50,000. At the same time, the increase that we're talking about percentage-wise looks terrible at 39% in that larger case, but it's only \$260.
- Johnson: And financing it over time.
- Chair Hamilton: It's a one-time shot. It does add to the cost of the house, there's no question, and it does increase payments.

Vice-Chair Bower: This is the income approach. The problem is that this is theoretically the same house as that house size-wise, because the Impact Fee package is static. Where's the money going to come from? My point is that these houses, in other words your affordability, we're getting cheaper and cheaper construction. Something's got to give. It's either going to be the land developer, it's going to be the quality of the home, there's going to be a lot of things. What my concern is, is that it's going to deter new construction. It's that simple. Someone's got to make up the difference because the cost of the house is not going down. As the rates go up, the cost to build goes up, the cost of everything goes up.

Johnson: Mr. Chairman, I think he's right but I think it's all very relative. We've had this for quite a while. I would suggest to the next group who is available to us, that's Parks, that we be looking at this housing issue far more closely than we have and its impact on affordability perhaps than we've had in the past. I think it's an important issue that we need as a Board to address all the time. I personally don't believe that we should be addressing this at this point, at this late point of time, though I totally agree that his point is important for us to understand going forward, and that would be both for Parks and, God forbid, Utilities if that ever happens.

Chief Brown: Mr. Chairman, I'm not discounting or arguing what Mr. Bower is saying. Yes, somebody would have to make that up. The point I'm trying to make is at this point in time, we're talking about, once again, no change in Impact Fee; somebody still has to make up in his example that \$36,000. Impact fees aren't being increased by that amount. That has to do with the change in interest rate, a change in the value of money, and I'm not going to say that the Impact Fees cannot contribute to that. I would just ask that the Committee truly consider on the high end we're talking about approximately \$250. In the areas of affordable, we do build some homes in our community under that 1,300 square feet, not a lot, but those are actually going to see a decrease.

Johnson: It strikes me though, Chief, that if we accept the methodology that we've been looking at for months here, if we don't have this Impact Fee, we still have a true cost. If the true cost doesn't come from here, the true cost still has to be coming from someplace. I am sympathetic that, having been a homebuilder in Chicago, I am very sympathetic to his concern. Our fees there were more like \$15,000 to \$16,000. We have to weigh and be aware of this trade-off. We do not have a bogus number of what it's costing you to serve us and the Police. I don't think anybody questions it, I know he [Bower] doesn't. We just need awareness of the impact on this other community. That is the building community. I think going forward, we have to maybe get more information early on.

Vice-Chair Bower: The thing is, we've been operating under a low-interest rate environment for 12 years, whatever it is. My concern is that this is a five-year thing, and so you could see or you could not see, this could not even be an issue, but the reason I asked for the statute - is there a mechanism allowed in the statute that allows

us to insert a caveat on the Impact Fee recommendation? In the event prime rate, as published in the Wall Street Journal or whatever, reaches X, then either a moratorium needs to be imposed, or they need to be reviewed, something like that. I'm trying to build in an additional layer to where we're not stuck with it if it's not working overtime.

Johnson: Again, I would only comment that there might be someone coming up in the next month or two who's going to give us a summary of the Impact Fees plus or minus. I think your point is well taken, maybe we call for Fire and Safety to come back to us in a year and say how things are going, and have the Homebuilders also discuss this. Maybe this is a continuing item on our agenda, Max.

Vice-Chair Bower: I don't know that we can do that, though.

Chair Hamilton: We're monitoring everything month by month, where everyone gets involved in these Impact Fees. We're getting a Utilities report every month, we're getting a Parks and Recreation, we're getting Public Safety. The thing that we have never done before, and I understand the underlying reason why we have never done this before, is it's not pertinent to the level of service that we're trying to help the City keep us safe with over, the next five-year period, and this is based on a 10-year outlook. This is a piece that we're never had the option to look at until right now. We're late in the game but at the same time, is it an issue that we need to just throw the parking brakes on and stop here, or do we need to go ahead and make a recommendation based on all of this and take it to City Council for their final review? We don't have the final say in all this.

Vice-Chair Bower: I understand.

Chair Hamilton: I think that this piece, as we move forward, and I don't know that TischlerBise or Duncan, whoever these folks are in these consulting firms, have ever plugged in this type of data because it's relatively immaterial to them. That's something that's outside their range of what they're trying to accomplish for the City's needs. For the protection of the people that live here, pay the taxes, raise their kids, we've got to have these services and how do we pay for them? If they're not paid for through the new additions to the City, then that's going to fall back to the ratepayer. You pay taxes or you can pay Impact Fees. I'm not sure which is going to be the worse of the evils and I don't have an answer to your dilemma, Max, It's my dilemma too. I really think that the bigger the houses get, the more revenues these people are going to have and those statistics will be skewed one way or another, and probably up.

Vice-Chair Bower: Well, the TischlerBise's, like you say, with their approach they don't look at this, they don't get paid to do that. It may or may not be late in the game, but to me it's been blatantly obvious the whole time that at some point we had to look at affordability. They have to go through, they've got to prepare the report, they've

got to come up with a projection what they want the fee to be because that's not based on revenue. It's based on need. It's based off of projection of where they think the service is going to be, but what is going to affect that is whether or not people can afford it in the first place. I'm not arguing that ultimately we may need or not need Impact Fees, but I think we need to be aware that it's really a judgment call on the part of the public too. Either they want the quality that we have or they don't.

Beerman:

Mr. Chairman? I had some comments that I was planning to make. It wasn't necessarily going to be today, but I think they might be appropriate today. We keep going back to this issue of the affordability of new homes and Mr. Johnson made a comment that maybe we need more information. I'm satisfied with the process we've gone through and the recommendations here. I'm going to read some of this, it's going to only take about two minutes.

"There is one additional information source that I think would be helpful to me in deliberations about Impact Fees. I think the city has an opportunity to gain some valuable insight into our actual experience with Impact Fees for future decision-making by doing a case study on Metro Verde.

Metro Verde is a very large planned unit development of more than 2,000 acres. At one point 7,000 single family units including condos; 3,000 multifamily units; and nearly 1.5 million square feet of retail and commercial space were projected. Metro Verde started from scratch, with only an inoperable golf course, and vacant desert land. There was little infrastructure. Now we have utilities and last week the City sold \$8.6 million in bonds to finance more infrastructure for Metro Verde. This makes the City government a backer of the developers.

A builder from Metro Verde told us a couple of meetings ago that he is competing directly with resale homes as he tries to sell homes in Metro Verde. These resale homes are owned by the City taxpayers. An advertisement for Metro Verde in Las Cruces magazine said in essence: 'Why risk the problems of a used home when you can buy a new one in Metro Verde?' A web page promoting Metro Verde said: 'A used house can have decades of accumulation of germs, bugs, and mold, and the roof and appliances can be about to fail.'

If City government becomes a stakeholder in a private enterprise that competes with its taxpayers on home sales, we should know as much as possible about the costs and benefits of doing so. So it appears Metro Verde would be an ideal subject for a study of what the development's impact is, year by year, in terms of costs to the City from its birth, through its growth, to completion. And we can monitor what the development contributes to the City in terms of revenue of various kinds, and other benefits. The City should keep a running tally, with cost and other adverse impacts one on side of the ledger and benefits on the other.

One factor that should be tracked is home sales prices in the city. This may be an unusual factor for Impact Fee analysis, but the information would nevertheless be useful in assessing how a massive residential development impacts the city's residential property values. As of February 1, the city had an inventory of 845 dwelling units for sale in the Multi-List. Will a large residential development drive down home prices by increasing supply and changing the supply-to-demand balance? I think values of houses in my neighborhood are down \$10,000, \$20,000, and even more from what they used to be. These losses of tens of thousands of dollars might be viewed in comparison with \$5,400 or so in Impact Fees on a new home.

Any cost for infrastructure caused by a new development, if not borne by the developer, falls on the taxpayers. We should determine what benefits the taxpayers are getting in exchange. Maybe a case study will show a big development will do so much good for the City's residents and taxpayers that it will offset any decline in their property values, strain on city services and infrastructure, public financing, and other costs.

So, I myself would like to see an objective case study of the costs and benefits of Metro Verde that would accumulate data to support future decisions on Impact Fees, and answer citizens' questions. I wonder if any members of the Committee are interested in recommending such a case study to the City management or to City Council."

Chair Hamilton: Interesting observations, Bill.

Johnson: It's a reality. We found that new condominiums in Chicago downtown were selling two and three times faster than the older condominiums and their price values were going down 10-15% a year simply because the newer product was driving down the value of the older product. It's a reality, I don't know how you deal with it, but it is truly a reality.

Bill's question is, are we perhaps then over-subsidizing? I'm trying to paraphrase, are we perhaps over-subsidizing the newer developments because they are having a negative impact on perhaps also the infrastructure of the older developments? What the City of Chicago did frequently, when I was there, we bought up like 5,000 vacant properties, rehabbed them, gave them to Habitat and then resold them through that process. But it's a reality, I bought an older home and our values in our community have gone probably down compared to the newer stuff that homebuilders did build. I don't know what the City would think about that concept, that's more their business maybe, Chairman, than this Board's?

Chair Hamilton: I think that it bears thinking about, but at this point I don't know that a recommendation is in line, Bill, but I really appreciate the observations. I'm

going to leave that to the Chairman and the Vice-Chairman in the future to make that final decision.

Chief Brown: Mr. Chairman, if I could. Mr. Bower asked a couple of questions related to the Ordinance. First, could you make a recommendation that this be tied to something? I believe you could, I don't see anything within the Ordinance that would preclude you from making a recommendation of that type. Then the other question to me was really related more to if this is approved, are we stuck with this for five years? The language in the Ordinance says that the City is required to review and update fees at least every five years. There's nothing that prohibits fees from being evaluated and reviewed more frequently than the five-year period.

Historically, the City has done that because as you all know, we've been working on this since November and it generally is a two year or in the case of Mr. Johnston a few years ago, a three year process. Part of the reason for that as well is because you're also updating Land Use Assumptions generally speaking, you're updating the full plan and so forth.

I just wanted to provide those points to the Board because the Ordinance does not prohibit City Council from directing staff to evaluate and update the fees sooner than the five year time frame. They could make that decision if in Mr. Bower's example interest rates rose dramatically, City Council could take action to not just on Public Safety Impact Fees, but on all Impact Fees at that time. They have that ability is my understanding of the Ordinance from discussions with Ms. Driggers and from reading through it.

Chair Hamilton: Thank you, Travis.

Johnson: I've been reluctant to have riders in the past on other issues.

Chair Hamilton: We have. We've done that and City Council has changed it some, and I don't know how successful it would be but we can look at those also. This is not a book closed case closed, it's one of those things that if we agree with the philosophy that these people have presented, and it's fair to the City and fair to the citizens, then we need to make a recommendation based on the facts and if we can make that happen, great. If we can't, we'll have to go back to the drawing board and figure out something different.

Johnson: I think, Mr. Chairman, we might want to proceed with this to have a motion on the table with a second, and then we can open it up to comments so we can proceed today.

Chair Hamilton: I'll entertain a motion to accept the TischlerBise report.

- Vice-Chair Bower: Mr. Chairman, really quick. Just before we go that far, I want to make sure I fully understand the current vs. proposed. What we're saying is we're going from the current and then we're switching to the new methodology, which is more of a scale-based.
- Johnson: Gene, were you making a motion?
- Suttmiller: I just want to be clear. We just are making a motion to accept the TischlerBise report, or are we making the motion that we're going to recommend that the Public Impact Fees as shown here are to be accepted?
- Chair Hamilton: We're recommending to City Council that we accept this proposal.
- Suttmiller: If we're going to look at putting a trigger in there on something, we need to discuss that and reach an agreement.
- Chair Hamilton: That's the reason we're putting this on the table.
- Johnson: You can make the motion and then we can talk about the trigger.
- Suttmiller: Okay, I'll make a motion that we accept the fees as shown here, based on further discussion.
- Chair Hamilton: Is there a second?
- Johnson: I second.
- Chair Hamilton: There is a second. Discussion?
- Johnson: Do you want to talk about the trigger that you're looking for in any way, shape, or form, Max?
- Vice-Chair-Bower: Yes.
- Suttmiller: Would you be looking at a 2-point rise in mortgage costs? That's a question in my mind, is what are we going to say on the trigger?
- Vice-Chair Bower: The goal here is to advise the City Council in a little bit different direction than they have in the past, which is just here's Land Use Assumptions, here's a report, and this is what the fees are going to be. I think we're all in agreement on the methodology, what the needs are, we understand that. I don't think anyone's having issues with that. The component that's always been missing is to localize the formula a bit to the people that live here. I think something that would, some sort of language that would at least advise City Council that in the event we see a rise in rates to X, that it needs to be re-addressed. That's kind of what I'm going on. We're just advising them.

- Suttmiller: You can advise anybody of anything, but if we're going to do that, Max, we need to have what is the trigger, where is X?
- Johnson: Max, why don't we consider, because the responsibility is on us to talk to the City Council after this report, is to require the staff to come back with a report in 18 months as to the Impact Fees and what has happened with the interest rates? We're going to be dependent on the staff we have here because we as a group are not going to be analyzing anything. We're going to be depending on our staff to say, "Hey, whoa, things are going badly for us". As Dr. Garcia's going to report, I think in May, about how some of the Impact Fees may be affecting us, why not require the City, even if you wanted an annual one with the specifics, Max, of how the interest rates in the industry are impacting this? To advise the City Council doesn't lead us to an action that responds to what you're interested in. Secondly, I think we ought to advise the City that we're going to be looking for any reports on Impact Fees in the future to start addressing this item more specifically and up-front with the concerns that you're talking about. We've gotten too far to be at this date, that's all I'm saying.
- Vice-Chair Bower: No, that's fine. It's just a mechanism that needs to be put in there to where it's something that they can work with in the future. They might totally get rid of the idea, but at least give them something to begin to build a framework around so that it becomes more built into the process going forward. Kind of like the way we laid out our timeline for these last couple of years, just something so that it's a regular...
- Johnson: That's what I was going to say, I want it in the timeline. I love the timeline, and you do too, you laid it out in simplicity. Why don't we have it in our timeline, Max?
- Chair Hamilton: It will be. We're going to be internally monitoring this stuff through the reporting's that we get, through Eric and Carl.
- Chief Brown: Mr. Chairman, if I may? Two things actually, and I'm certain you are probably going to do that before you take an official vote, but I did just want to point out that Mr. Moscato is here. I'm sure he would like the opportunity to comment before you do take a final action. I just want to make sure we've tried very diligently through this whole process to provide as much information and allow as much public input as possible, so I do appreciate him being here and just wanted to make sure you as a Committee understood that.
- Secondly, consulting quickly with Dr. Garcia and Ms. Reyes, what we here believe you're asking for as Mr. Johnson stated, we think it's something that could be plugged into the agenda on a re-occurring basis somewhere into that timeline, where we could come back and show information to some degree what our housings are, what those numbers are. We do have some limitations in some areas, but we should be able to at least come back on a regular basis

just as an update and for information purposes for the Committee, we don't feel that would be something that would be unrealistic. However, we would propose it being an overall; not just something for Public Safety and Parks and Utilities, but more perhaps a report every 18 months or something that captures all of that, because a lot of the information will be similar as far as number of housing starts and those things.

Johnson: What I was going to say to you, because you started this and you're leaving us so early.

Chief Brown: That's why I'm offering it sir.

Johnson: We have a template that Dr. Garcia and Mr. Johnston I'm quite sure are going to use, and that template doesn't necessarily have to break any new ground now that we've been through it. What we're doing is amending that template a bit and that's all. We laid it out, you adopted it, and the staff has done a great job of keeping us on track. We don't need to break new bricks here necessarily, we just need to code them a little better. I only suggest too because of the sensitivity. I usually represent the public and go out and talk to the public a lot, as you know, especially in the Rate Case. Homebuilders have a specific point here, and at some point in time maybe we bring them earlier into the discussion to make sure what the philosophical issues here are. If we take the pennies from here, we don't take them from there, and that's a reality.

Vice-Chair Bower: They won't show up, they're too busy. That's why I'm stuck here.

Chair Hamilton: What we're talking about, it's not going resolve this issue that's on the whiteboard. The City does not track that. Am I wrong? Travis, you dug really deep to get us the information you've given us and I don't think that's something you just go in the computer and draw out every time.

Chief Brown: Mr. Chairman, what we believe we can provide, that is already tracked by the City. Number of homes, probably based on permit, I'm fairly certain that when you pull the permit you have to put the valuation of the home so we could probably do that to help establish some part of the median cost or median price based on the permit valuation. Those are things Community Development already tracks so I think we could extract some things from that. We aren't going to be able to tell you the prime interest based on the increase in the prime interest rate, now we've gone from this affordability to that affordability, but perhaps it would at least provide the basis of information that the Committee could extract some thoughts or opinions from.

Chair Hamilton: I think you could probably back into this number that we're looking for on the revenue standards to verify. If you had people that were pulling permits at \$250,000, you know they've got to meet certain minimums and you estimate that minimum at 25% or 30%, and their revenue is going to be 70% more of

that. The thing I have tried to do from a CIAC standpoint is to keep everything as simple as we could, make it understandable, make it trackable and live up to the obligation I feel our charge is, and that's to represent the citizens and do the best we can to help the City keep the services in place that we've got to have in a community growing like ours will at some point. I think we've come a long way, but we're not there yet. There will be continuous tweaks from time to time, and Travis, I know you're not going to be there to worry about that, but there's others out here who are. I certainly appreciate all of your efforts in helping us accomplish what we have. With all of my breathiness here, I'm going to call on John. John, do you have some comments you'd like to share with us?

**Moscato:** John Moscato with Sierra Norte Development and Chairman of the Governing Affairs Committee for the Las Cruces Homebuilders Association. Thank you very much. Before I begin speaking about this, do you want me to respond just for a minute to Mr. Beerman's comments about Metro Verde? I heard the word subsidies, and that always piques my interest because I've been in the development business with ETZ and the City for 25 years. Regarding the issue of subsidies, there are no subsidies for developers. As Mr. Beerman was speaking, I was doing some quick calculations that just in these initial phases of Metro Verde between the development activities and the homebuilding activities, there's been about \$4,000,000 in gross receipts tax revenue generated from the activity there, as well as several million dollars of infrastructure that has been built by the developer solely and dedicated to the City Of Las Cruces. During that whole process, we've received no subsidies. As far as the voluntary assessment district that was referred to, the bonds that were recently sold, there's a 1% premium attached to the interest rate on those bonds. It's been estimated, and we presented this information to the City, that that 1% premium will result in revenues of approximately \$500,000 to the City over the life of the bonds, with very little administrative task associated with the payout of those bonds over time. I just wanted to make those couple of points.

**Chair Hamilton:** I appreciate that, John. We do have a motion on the floor with a second, and I'd like to hear you views on where we are with Impact Fees. We'll save all this discussion for another day, but I appreciate you enlightening us that you made a good contribution back to the City with the efforts that you guys put together.

**Moscato:** Thank you. First, I'd like to compliment Chief Brown and Chief Montoya on being very transparent through this whole process. There's been a number of stakeholder meetings, to which our group has been invited and other groups throughout the City, I think it's been a real model for how this type of proposal should be communicated to the residents of the City. I think we also have absolutely no argument, as I hear the Committee doesn't have any argument, with the need for the facilities that Chief Brown has referenced and TischlerBise has referenced in its report. I think mainly my comments revolve around maybe some technical aspects of it.

For instance, if I recall from a couple of meetings ago, Dr. Guthrie's justification for the tiered fee structure for single family homes, if I'm not mistaken, it was that the larger the home, it's expected there would be more people living in the home and therefore more of an impact; therefore the impact fee should be adjusted accordingly. The problem with that theory is that number one, no evidence was provided to support it, and based on my experience as a developer and someone who reviews building plans on a regular basis, I don't see any relation between size of house going from 1,700 to 2,100 square feet and the number of people that would be expected to live in that home. Typically, you just have larger rooms. In fact, it may seem counterintuitive, but sometimes the larger homes are built for people who are moving here who have retired elsewhere and can afford a little bit of a larger home here, but they actually have fewer people living in those homes than your typical mom, dad and kids living in a 1,700 square foot home or even smaller.

If the idea behind the tiered fee is simply to say "Well, the bigger house means it's going to be a more costly home, and so those buyers can afford more of an impact fee", that's one thing. That's not what I was hearing, though, as a justification. I don't think there's been any justification for the tiered schedule that's been presented yet.

Chair Hamilton: I hear what you're saying, John. I think the bottom line that I look at, we're talking about roughly \$50 in the breakout. \$50 over 100 houses is a lot of money, yes, but I don't know at this late date if TischlerBise can go back and give us that justification. I know they can if we ask, but I'm curious to know is it that important at this point.

Moscato: I think it's important in the sense that with the increased fees as proposed, it's roughly a 38%-39% increase in this fee for the 2,100 square foot or larger home. Granted \$248 might not sound like a lot, but if you're in business and any one of your component costs suddenly rises 38-39%, that's a pretty significant increase. That's the only point I want to make.

Chair Hamilton: I don't disagree with that, and that's been the heartburn for me is in the percentage. The dollars are not of a magnitude that it's devastating to me, but it bothers me. If you took that category out and just put it at 1,700 feet and above, you're talking about a \$50 difference and you're talking about a basis point for the percentage increase. It moves it down to 31% instead of 39%. All dollars matter, I don't mean to take that for granted. I'm a banker and like to count pennies, but the thing I have a problem with at this stage is going back and revamping that. Is it practical at this point and is it a big enough issue that we really need to get that justification before we make a decision today, do you think?

Moscato: Obviously, I'll leave that up to the Committee. I just don't think, at least to this point, any justification for the tiered schedule has been presented. If the

Committee wants to go ahead and approve the tiered schedule without any justification having been presented or any evidence having been presented, then that's certainly within your authority to recommend. I just wanted to raise the point that if I remember correctly, and maybe I don't, but if I remember correctly that Dr. Guthrie's justification was that in a larger home you're likely to have more people living there. I just don't see the evidence that's been presented to support that, and my own experience would argue against it.

Chair Hamilton: In my personal case, it's me and my wife in a larger home than what you're talking about, so I understand your point. If I decide to move to Las Cruces would the \$50 in Impact Fees bother me that much? Probably not, but there again, it could affect some people.

Johnson: Mr. Chairman, given the late date, I think his point is one that we are going to be visiting this issue with Parks, and we're going to be visiting this issue with Utilities. I think his point is, we ought to look at the validity of the argument made by our folks and say, "Hey, that's not self-apparent". My wife and I live in a 3,000 square foot home, there are two of us. That's because we can. I think his point is that one needs to be at least on our agenda for how we keep tinkering and responding to issues that he's made. I'm not giving in one way or the other, I think that he's just raised an issue that we ought to deal with.

Chair Hamilton: Travis, did you have some supplemental information?

Chief Brown: Mr. Chairman, I do. Mr. Moscato is right, the slides do not represent that. It was in the full report, we can pull that up. Alma has figured out how to get to that so whenever Mr. Moscato is done we can pull that up for the Committee.

Chair Hamilton: I knew we had an in-depth breakout of that stuff, it just didn't pop into my memory bank. I'm sorry, John, I couldn't pull it up but let's see if we can find it here.

Chief Brown: Mr. Chairman, this is the full report. The slides that we've gone through and were presented by Dr. Guthrie were what he saw as the highlights, but do not contain all the information. Worst case scenario, I can run a copy of the report I have. I think it might be easier if we make a copy of those sections.

Suttmiller: That would be good. Thank you.

Moscato: The other point I wanted to make revolves around the actual Las Cruces Development Impact Fee ordinance and what it says in terms of the appropriateness of spending impact fee funds on different projects. I'll just read a couple of very brief parts of this. "Development Impact Fee as defined means a charge or assessment imposed by the City on new development in order to generate revenue for funding or recouping the cost of capital improvements or facility expansions necessitated by and attributable to the new development."

As I understand, what's been presented in this meeting and previous meetings, there certainly are some needs for facilities that can be tied to new development. My problem is that the main facilities that were listed in the report were the Narcotics Facility and the Training Facility. They make up a very large portion of the projected facilities that would be funded and although there's a split between how much of the cost of those facilities would be paid for with Development Impact Fee money as opposed to other revenues, there's still a very significant portion paid for by Development Impact Fees, in this case the Public Safety Impact Fee. If you look to section 33.45, items not payable by fee, you'll see that it reads, "Development impact fees shall not be imposed or used to pay for"; and then going on to number 4, "upgrading, updating, expanding or replacing existing capital improvements to provide better service to existing development".

You have to ask yourself, in the case of the Police and Fire Training Facility, the \$2,666,000 put under Development Impact Fee share and for the Narcotics Building the \$1,750,000 under the Development Impact Fee share. Is it reasonable to think that you can justify those costs solely on the basis of what's defined here, necessitated and attributable to new development? I don't think there's any way in the world you can do that. If the projects listed had said Fire Station for this new development, Fire Station for this new development, I don't think I'd have any argument. It's clear these are necessitated by new development, but when Chief Brown in a prior meeting here discussed the Training Facility and the Narcotics Facility, he indicated once again in example the Metro Narcotics Building.

If you recall, Mr. Chairman, we discussed the fact that there is a building currently so what they're talking about is an expansion or replacement which isn't allowed to be paid for if it's attributable to existing development. You have to say a significant portion of that cost should be attributable to existing development, you can't say that all of a sudden in the next 3,000-4,000 residential units and square footage increase in commercial building over the next 5-10 years would be the sole driving force behind the need for those facilities. It would have to be some need for those facilities based on the 44,000 existing households now in the City. I just can't see how you could justify that portion for those facilities.

If I understood what Chief Brown said before, that maybe you don't need to look specifically at those facilities and if I'm misinterpreting what you said maybe I wasn't understanding, but I think you were saying level of service is really the key. We need a certain level of service and whether the money coming in is spent for this facility or that facility really doesn't matter, because there's an overall level of service that you have to achieve. I think it does matter where you spend the money, because under the Impact Fee Ordinance you can't spend the money for those prohibited items. I think it's clear that what's

being proposed is spending the money for prohibited items that fall outside what's attributable to new development.

I think that's the main thrust here, that there's an appropriateness factor. Aside from overall level of service needs, you've been given the three main projects that this impact fee money is going to be paying for and reading the Ordinance, I just don't see how that's justified. If you agree that it's not, I think best case going forward would be keeping the impact fee as it stands today, until there's some justification given in terms of specific projects that the money would go to for facilities whose need is triggered by new development.

Suttmiller: I've got a question, Mr. Moscato. I'm going to make it as simple as I can. If we have an increase from these housing of so many thousand people, we have to have so many thousand cops and we need a precinct station for them to be in. It doesn't need to be in that area, you switch areas of responsibility and you need one more because of the increase in population, do we not?

Moscato: I agree, its one district, a City-wide district.

Suttmiller: So we build it over in Elks Club area because now they can service from another place a lot easier. This is more appropriate for the Fire Department because you're looking at the whole City on response times, all of this kind of stuff. It's not necessarily going to go where houses were built.

Moscato: I understand. If the proposed facilities in this report were three new Fire stations, and you could tie Fire stations to need for service, I think that would be fine. My point is, the narcotics facility and the training facility by Chief Brown's own admission were items where he says, "These are things we have been attempting to get done for a period of time now". So they are an overall community need, not tied to any new development. Unless you want to apportion among the total need, a portion for new development and a portion for existing development. My point is, it appears if I'm understanding this correctly, that all of the burden outside the other revenue source is being put on new development, because that's where we're being told this money is going to be spent.

Chair Hamilton: John, I don't meant to be interrupting, but all of these projects have been scrutinized through Counsel. They laid all of these projects out against statute, and I am not sure how far to take that vetting. We've been assured that anything that shows up on that capital improvements list related to Impact Fees is a justifiable expense for Impact Fees to be used. This is not something that we take lightly because we ask for reporting on each one of these groups on a monthly basis. It may not be every month that they report, but once every three months they will report to us where they are and the projects on the CIP list, the elements of completion, how much money they still have in the fund and how much money they still have to spend. As far as vetting that farther, I'm sure

that you and I could read two pieces in the paper and come up with two opinions but at the same time, we're not trying to be counterproductive to statute or any of those kinds of things because we do have legal counsel with the City that represents and don't want the City in lawsuits over this kind of thing. I certainly understand your point, at the same time I don't think that we're spending money out of the Impact Fees collected that are not justifiable expenses.

Johnson: John, we used to have a member, a close friend of mine. He's asked the very question you're asking and very carefully would cite to the law department, "I read the statute this way, he'd hold it up and this is the language, explain to me how this works." He was an engineer from Gallup and was very concerned exactly to your point. We took direction from the law department on this matter because it has been a very serious concern of ours.

Chief Brown: Mr. Chairman, whenever Mr. Moscato is done, because I have part of the questions that have come up based on my confusing him or making statements that are perhaps creating this, so I will try to respond whenever he's done.

Moscato: That's all I have, thanks. Thank you for the opportunity.

Chair Hamilton: Thank you for your opinions, we appreciate it.

Johnson: You're welcome back anytime.

Chief Brown: Mr. Chairman, as always, the Utilities staff is quite incredible, so they have located the presentation. Here's the PDF of it. Starting off to try to at least provide some information in reference to Mr. Moscato's first question about why TischlerBise used the methodology they did, and their justification for the different size homes having the different number of people in it, starts in this section. They go on to explain their information was taken from the Public Use Microdata samples for Las Cruces, and the multipliers by bedroom range are for all types of housing units adjusting to the controlled total of 2.33 persons per housing unit, which I believe is what the census had provided from my recollection.

Here's the table that was provided, so this is the justification. I'm not saying if it is adequate or inadequate, but this is what was provided in the full report. You can see the breakdown here and the difference, so even the difference between a three- and a four-bedroom home in reality they're talking about the difference of less than one person. The difference between a two-bedroom unit and a four plus-bedroom unit, we're talking the difference of one person for the purposes of breaking down and calculating out the fee. So it was not done with a basis of larger homes are more expensive and therefore people who purchase them can afford a higher impact fee, it was done based on this table and then mathematically from that point calculated out the difference of the fee,

which is pretty much why the lower units went down, because they were below that 2.33 range.

That's the information, a copy was provided to you. I'm not going to take the time to try to explain it, and I will provide a copy to Mr. Moscato so he has it also. That was the justification provided by TischlerBise. My apologies, it was part of the full report and was not part of the specific slides and the presentation that Dr. Guthrie had put together, so very understandable where Mr. Moscato had not seen that specific information.

Chair Hamilton: We had other conversations about the square footage movement, too, when we tried to bring that better into perspective and then we had a discussion about growth rates throughout the community and over the next 10 years, and we lowered that to a 1.54% number instead of the higher number that we started with trying to put these things in a perspective that made better sense. Instead of breaking it out as a one-, two-, three-, or four-bedroom home, we broke it out in square footage and then adjusted those to more the size of homes that are being built here.

Chief Brown: Mr. Chairman, here's some additional information, and this is where the average was adjusted from the Census Bureau to the local data, again at the request of the Committee. They wanted us to try to use more localized information and that was done in this case, and so you can see once again it was adjusted downwards actually from averages per housing unit from their original assessment, which I think was a Mountain States area or something along those lines, down to what it ended up being in this case with their final recommendation.

To Mr. Moscato's other concerns, my apologies, everything he stated is exactly correct in statements I have made and as he read from the record, the issue of the Impact Fees being used for specifically the items in the ICIP summary. The reason that the chart as shown, this chart is the one we're talking about, as you will see the Fire Station total building costs, the DIF is the Development Impact Fee share. To Mr. Moscato's point, a Fire station we are saying with the exception of the \$360,000, which most of that is anticipated to be the furniture, fixtures and equipment that goes into the station, which is not an eligible Impact Fee cost because it does not meet the thresholds. Of the total building costs, we take out the FF&E that is not payable with Impact Fees, but really the rest of the infrastructure goes directly to new development because the new station is required based on growth and additional development. The Police and Fire training facility, we do have these facilities now, the facilities as we add more stations, the Police Department is getting ready to add nine new officers under your grant, Deputy Chief Dunivan, is that correct?

Dunivan: Yes, sir.

Chief Brown: Nine new officers. As the population grows, the number of firefighters and police officers grows. For training purposes, yes, as we grow and we add personnel, whether we add infrastructure or not, there is a need for more capability to train and provide that to our officers because the number of people we have to train is increasing. So that is why it is a certain portion of that, in this case, it roughly looks like about 60% or so, 55-60%, again TischlerBise determined would be an eligible expense to be paid for by Impact Fees. The other revenues are in essence paying for the size that we have now. That's where under the ordinance, as Mr. Moscato pointed out, this is in essence saying we already have 2,000 square feet of training space, so if we build a new structure, the first 2,000 square feet have to be paid for by other revenue sources, because we are replacing, upgrading, updating existing facilities and existing infrastructure we have. Over that now becomes an expense, because we start to increase our capacity, increase our size.

I would try to compare it to Dr. Garcia in that we may upsize the pipe for future growth and development, I would say a similar concept to that on the side of what Utilities does. That's why these are broken down. Similarly, the Metro Narcotics, as you can see, less than 50% of that facility would be paid for through Impact Fees, once again, because we do have a facility in place and yes, we have been attempting to improve these facilities for some time because we have needed to, based on the growth and development in our community and the age of these facilities. In the case of the Metro Narcotics building, less than half would be eligible to be paid through impact fees because again, it would only be able to pay for that increase in the infrastructure over what we have now to stay in compliance with the ordinance. That is how it has been explained to me as far as how these are legal expenses under the State statute as well as our local ordinance in order to be qualifying expenses.

Finally, the point I was trying to make earlier, Mr. Chairman, in reference to, "It doesn't matter where we spend the fees", I apologize for stating it that way. It matters very much where we spend the fees, and the fees have to be spent legally and based on items that qualify under the statute and the ordinance. The point I was trying to make is, the proposed fee was not determined based on this list. The proposed fee was determined based on our existing level of service, where we are at currently with our population, and our existing infrastructure. In essence, our existing infrastructure for 2015, the value of that based on the number of people, divided that up and it said here's a cost per person. Regardless of what goes in these columns, it would not change whether the fee increases, decreases, and goes up and down. I apologize for confusing that or giving the impression that we can spend it wherever we want or do not have to meet the requirements as established by law. I was trying to make it clear that if you recall in our existing Capital Improvement Advisory Summary, we have over \$30 million dollars of projects identified, and one thing we tried to do this go-around as opposed to put up any and every project that could potentially could come in the next 10 years that was a qualified expense,

which was the previous approach. We tried to sit with the consultant between both Police and Fire and say realistically, where are the areas that if these dollars come in, we would want to spend them to try to contain or provide the same level of service and serve the development areas, and the new buildings and structures that come from that.

In some cases, that is because some of these things are needed because of our increase in personnel. The Fire Department in the last with the opening of Station 8 and the East Mesa Public Safety Complex, in the last four years we will have added almost 25% to our staff on-line actually responding. We will have added 22 new personnel to our department, so that impacts our need for training, it impacts the amount of space and size and things we need in other areas, and that's where this need comes up again. The Police Department is also growing because of the increase in population in our community. Hopefully that at least provides some clarification to my confusing statements previously, and gives you at least the information to look at that was provided by the consultant on the breakdown of persons per bedroom in a housing unit.

Chair Hamilton: Does that mean, Travis, since you've hired 22 people and you're retiring, it takes 22 to replace you?

Chief Brown: No, sir, it does not mean that at all. If you would indulge me though, I would tell you what I consider one of the reasons we are hiring 13 people for Station Number 8. Generally, we hire in multiples of three because we have three shifts, so normally we would hire 12 people, four people per shift to open up a new station, but 22 years ago when I went from being a firefighter to being an investigator, a new position was created and they just moved my firefighter position into an investigator position 22 years ago. One of our shifts has been short for 22 years because of my position, so that is something I set as a goal for myself when I became Chief that before I left, I was going to get my position that did not get filled 22 years ago filled and so with the opening of Station 8, we will accomplish that and we will be back to where all three shifts at least have the same number of people on each shift. That's part of the story, Mr. Chairman. Thank you.

Chair Hamilton: Is there other discussion?

Johnson: Yes, there is. Max, you were drafting some language that might be included in our letter of recommendation? We have a motion on the table and a second.

Chair Hamilton: Yes, we do.

Johnson: Would you like to read that language?

Vice-Chair Bower: It would be, I guess technically I would offer the following amendment to the motion, which would be the motion and then to add, "CIAC further recommends

that City Council task City staff with updating CIAC with an annual report, which shall analyze impact fee rate affordability in an analysis format to be determined by both City staff and CIAC. This annual affordability report will assist CIAC in its ongoing obligations as described in Item 5 of section 2-895 of the City of Las Cruces Municipal Code.” That would be the end of it.

Just to remind everybody what that item is, that is item 5, which is “CIAC’s Duty to Advise the City of the Need to Update or Revise the Land Use Assumptions Capital Improvements Plan and Impact Fees.” So the idea is, that would be consistent with our duties to review these in an annual fashion with the goal of making sure that we’re now including an affordability component to our analysis, which is something that’s always not going to be provided.

Chair Hamilton: My question, Max, and I’m not saying I don’t agree with you, but I don’t know where the City is going to pull that income information from.

Vice-Chair Bower: I could further define it, I guess, but it would pretty much be what they’ve already provided us.

Chair Hamilton: Just pull it off the national registry and make the assumption?

Vice-Chair Bower: Yes, I can put a “shall include but not be limited to median income, current published interest rates”, that’s basically the data.

Johnson: What Max has done, you’ve indicated an intent without restricting the City on how to handle that intent. The idea is to have the intent...

Vice-Chair Bower: That’s why I put the format to be determined, because then the Committee and Staff can figure out what they want that to be.

Johnson: I want to make a motion that we amend Gene’s motion to consider adding this language. We need a second.

Chair Hamilton: Is there a second?

Suttmiller: I’ll second it.

Johnson: This is only for discussion, but now this is what’s on the table.

Beerman: I question whether the Impact Fee should be adjusted to make homes sold by builders more affordable, since that puts the owners of existing homes at a competitive disadvantage. I’ll also comment that if some sort of provision is made, it should consider the fact that maybe a lot of people who buy the new homes are coming in from out-of-town, and the median and average income in Las Cruces might not be that important. You would have to consider where the buyers are coming from. Those are just a couple of thoughts that I have.

Chair Hamilton: They are good points.

Johnson: What we're doing here, and I represent the general public as you do, we're only giving an intent that we should be looking at something, we're not suggesting that we even have to do anything about that affordability on houses. It's just that there is a concern coming from the community, and we represent all aspects of that community. For me, representing the general population as you do, it's just making sure we have a full template of what we're going to be looking at. Without a conclusion, but we're going to make an action on it.

Vice-Chair Bower: My intent here also is that this be more of an informative thing for CIAC going forward, because it could work both ways. That's the way I'm doing it because you might end up in a situation where exactly like you're saying, the buyers are coming in and it's based off an income bracket that for lack of a better word, is not native. If that begins to happen in any kind of momentum, that's going to put more stress on services, we're going to need more Fire trucks, more this and that, which will allow the City to be able to take that component of the analysis and look at it and say okay, what can people really afford? So there's an inverse to this that is again just a gauge that allows them to look at it. Whether fees are way down, permits are way down, what is going on, here's more information for them to be able to look at it that way, whether it's up or down. It's not necessarily a subjective thing as it is.

Johnson: We used to be able to look at it in Chicago at the speed of absorption, Max. I always did four or five homes a month, which was great, but when I left I was down to one and one-half to two which wasn't really good. We're not making a decision about it, we're just saying let's have a...

Vice-Chair Bower: Just to kind of finish the thought, my intent here also is there's always been this angst and continues to be this angst about the Impact Fee in general. Having been a homebuilder, I could be sitting here and arguing I move that we get rid of the fee or cut it in half just out of whim. I would rather see something be put in place to where here's the Impact Fee, this is what it's charged, this is the reasoning behind the methodology of the level of service, and here's another way of measuring it so that we can have a comfort level as a community of whether or not we can really afford it.

Beerman: I don't think we should corrupt the Impact Fee by putting in considerations, soft subjective issues like affordability. I think it should be based on the actual cost to the City of the new development, and City Council already is applying its judgment in other ways like deciding to use bond issues vs. Impact Fees. City Council can adjust the Impact Fee if it feels it's more important to have new homes built than it is to have the builders bear the cost of their projects. I think the City Council always has the judgment and authority to lower the Impact Fee or adjust it, and I hate to see this new concept of affordability built into the calculation of whether the fees should be based on the actual cost to the City.

Vice-Chair Bower: The idea that it might be used as a tool politically, or...? I think I get where you're going, but I'm not still quite sure.

Beerman: I guess my basic feeling is, the Impact Fee is supposed to cover the cost to the City of developers' projects, the new burden that's put on the City. If you adjust that fee because you want to make homes more affordable that the developers build, you're shifting that cost to their competitors, to the people who are trying to sell their existing home and aren't getting any kind of government adjustment to their marketability situation.

Suttmiller: My take on it is, one is to make recommendations based on the fee. The other is to advise the Council on impacts of that fee and things like that. That's part of our charter is to make those recommendations, and all we're telling the City here or the Council is to take a look at affordability, because every decision you make affects another portion of the population. We can end up like Santa Fe where they can't house teachers because the housing's not being built, because where's the money for the developer? The money's in the million-dollar houses, and they buy the land, and in Santa Fe now you've got teachers that have to drive 40 miles to get to a school. We're not hear that, but we're not building low-income housing, either, and we've got people that need housing. Anytime you start playing with this thing, it's a domino effect in different directions.

Vice-Chair Bower: As an example, a couple years ago, we were going through the Parks & Recreation process and according to the data based off of level of service for Parks & Recreation, the fee needed to be an astronomical amount. We recommended a lot smaller one and a more incremental approach, and the City Council just blew past us like oh well, whatever, if that's what we need that's what we need, without even a consideration to affordability. I'm just giving them a check to at least look at that, because in that case we ended up in a situation where here's the metric, here's the data from the report that said if you want to maintain this level of service based off this many people and this growth rate, then this is what the fee needs to be in order to accomplish what you're trying to do according to ICIP. We were like, that sounds great, but it's completely unrealistic. This is just a mechanism to where CIAC at least has got a little more robust diligence being put into that section of our duties, which we should be checking that stuff out on a regular basis. That's all I have to say.

Chair Hamilton: We've moved a long way to get there. Yes, Travis?

Chief Brown: Mr. Chairman, if I could? I believe, to Mr. Beerman's points, we can only base the Impact Fee on the existing level of service, and that is fairly well defined. I am not trying to say that affordability is not a concern, but I do not believe by law that we can include affordability into the true calculation of the Impact Fee because that is not something that is qualified based on the level of services. It's fairly clearly defined as existing infrastructure and so forth. If that

information is something that helps the Committee feel comfortable with a recommendation being too high or too low, and as Mr. Beerman said, that really starts to become more of a policy issue. I mean no disrespect at all to the Committee, but that is really a policy issue at the City Council level.

Again, we will be happy as staff to try to provide what information we can. I would just caution this body to start taking that information and adjusting the cost of the Impact Fee because by law, we can't charge more than the level of service. As Mr. Bower said, it could work the other way and a future Committee decided well, we're going to take the level of service that was established by the consultant and bump it up because affordability is down, then we would be in violation of the ordinance and law because we would be charging a higher level for the service that is in existence. Just a little bit of a caution as to how that information ultimately would be intended to be used in reference to establishing the fee or adjusting the fee, because the fee is based very specifically on items allowed under the statute and the ordinance.

Johnson:

That's sort of true, but the fact is that the statute says that you can apply these fees based on XYZ, but then you can take a group out and not charge them a fee at all, and that's the affordable housing group. One of my concerns here with this language is that we're using affordable and under section 33.3, you can take whatever the definition of affordable is, and you can actually take that group out and charge no impact fee for. So obviously the language in the statute did anticipate that groups could be pulled out, but to use in this language the word affordable, causes me concern because then we get words overlapping. The Council can say, well, affordable to me means economically affordable which in Chicago would have meant anything under \$142,000 or whatever. That's not where Max is coming from in the terms of using his word affordable.

Going back to what we were originally talking about is we have this timeline, Max, that we can in our timeline administratively have this discussion without jeopardizing our procedures and the logic of how we're getting to an answer, which you're talking to, but have an awareness because we all know that everything's always going to be a bit political anyhow. I hate to say that, but it's a reality so what I was only suggesting is one, I'm concerned about the word affordable given what it says in here and two, I'm not sure that we would not want to direct the staff, Max, to increase in that schedule that we developed rather than putting it into a recommendation to City Council.

That would be my area of concern. One, the word affordable as its used here and two, getting outside our procedure that this is the logic of how we got to step A, B and C and then say, "But outside of here, you should consider that". We within our own veranda here can consider a lot of things, but I'm not sure that we want to be opening ourselves up to Council, for instance. That's just what I'm thinking.

- Chief Brown: Mr. Chairman, just for clarification, Mr. Johnson, you're right. The ordinance allows us to waive it for affordable housing, but the fee still has to be paid from another source. It's not completely waived, it is transferred to another City source or some other means.
- Johnson: There's not a loss of money.
- Chief Brown: The fee still has to be paid by law. It is not truly waived, it is just paid somewhere else.
- Johnson: But you get to this point of what the fees are, and then there's a group that can be pulled out, but then there has to be a source of money. My concern is with the word affordable as it was written in here, it could confuse people as to where you're at, Max.
- Vice-Chair Bower: I guess I come back to that, and I understand what you're saying, and it could be taken advantage of or twisted around, or whatever. The bottom line here is that there is not a mechanism in place other than the CIAC's review at the time of Land Use Assumptions and when they're looking at the fee again, to see the impact of the Impact Fees on new housing. It's that simple. It doesn't exist. It hasn't, and I'm trying to come up with something that allows the CIAC to at least have somewhat of a heads up of what's coming down the pipe. I know that's a pretty elementary example right there, but to deny that it's not going to happen is crazy. It's going to happen.
- Chair Hamilton: Nobody's got the crystal ball.
- Johnson: I'm just saying you don't need to write everything in your legislative recommendation. We can reach an agreement with staff that this is an analysis that's going to happen up front. I'm not disagreeing.
- Beerman: Mr. Chairman? I think what we're talking about here is gathering information on affordability, and I don't think you can ever have too much information.
- Chair Hamilton: That's the reason Travis has jumped through hoops, Bill, trying to get this detail together and he tracked it back to 2000, to show us the growth trends and all of that, and then to give us a base to calculate from.
- Beerman: Mr. Moscato mentioned the gross receipts tax revenue, the infrastructure that they put in, the 1% bond fee, and it struck me that these are the kinds of things I'd like to see in a case study of the Metro Verde development. Maybe that case study could include what happens when interest rates go up or...
- Vice-Chair Bower: It's simple because if you have a big spike in the interest rates, the permit counts are going to go down and at some point in the future, someone's going to have a bright idea, whether it's City Council or whoever, they're going to say

we really ought to be looking at those impact fees because they're really stunting growth. All I'm trying to do is say, do we want something there to where the CIAC as a recommending body is keeping City Council abreast of that in collaboration with what staff's doing. If it's too holistic a method of doing it, then it is, and we'll just have to continue the way we're doing it.

Chair Hamilton: What's your flavor? Do you like this amendment going to City Council, or do you not?

Johnson: If you're calling the question, all we have to do is just vote the motion to the amendment down. I'm calling that question and we can just vote. And I will vote no. I don't want the amendment.

Vice-Chair Bower: Yes.

Beerman: No.

Suttmiller: No.

Chair Hamilton: No.

**The motion was denied, 4-1.**

Johnson: Now I'm calling the question on the original motion.

Suttmiller: I second it.

Chair Hamilton: All in favor?

Beerman: That's to recommend adoption?

Chair Hamilton: Yes, the TischlerBise recommendation.

Beerman: Aye.

Suttmiller: Aye.

Johnson: Aye.

Vice-Chair Bower: Nay.

Chair Hamilton: Aye.

**The motion was approved, 4-1.**

Johnson: May I suggest, Mr. Chairman, that if Dr. Garcia could take our concerns back in terms, of even though I know you're coming with your update, which I'm going to be out of the country to hear, but I'd love to. It's that kind of update that we can incorporate some of the concerns that we're hearing here in future studies. It's just that we're supposed to be representing the total population. I tend to represent the general public, and he tends to represent the builders, and that's fine, but I think we have a job here to represent all with the comments that Bill has made, that we have a process we think that we've done well. We thank you for creating it, but this additional data could be helpful. As Bill said, the more data we have, the better it can be.

Beerman: I was intrigued by your comment about absorption rates, that's how fast the houses are sold? I think that's something that in this case study would be a good point.

Johnson: When we did that with the units that I was managing, we could actually tweak them to the size, as Max probably does. If we're large enough we could tweak them to big units and small units just to absorb faster.

***Eugene Suttmiller left the meeting at approximately 3:45 p.m.***

Chair Hamilton: Back to the business at hand. I'll prepare a white letter. I'll circulate it among you guys to make sure that we're all in concurrence before I submit that to Alma so she can get it over to City Council, if that's agreeable to everyone.

Chief Brown: Mr. Chairman, if I could? What we would prefer to do is have that as part of the entire packet going forward with the Council action and everything else, so I will be the one putting together that Council Action Form with the Resolution and that will become part of the packet.

Chair Hamilton: When is that due?

Chief Brown: End of the month, first or probably the first Friday of April. I would have to look at the deadlines. One month before. I've been mistaken, I previously said this would have to be an ordinance, it actually will be a resolution so there is not a first reading requirement. We probably have until about the middle of April to get it on the May 16<sup>th</sup> meeting.

Chair Hamilton: All right, I'll have it prepared for you by then.

Chief Brown: Thank you.

**5. Next Meeting Date:**

Chair Hamilton: The next meeting date will be April 21, 2016. Is there any new business to come before the meeting today?

Vice-Chair Bower: Mr. Chairman, I don't know if I need to follow up with you all. If I need to be here, if there's not a new person and all that, I need to know.

Ruiz: No, your term will have ended. Chair, Committee members, Bower's appointment ends effective March 31<sup>st</sup>.

Vice-Chair Bower: This was my last week. This was a good one.

Johnson: That assumes that I am Chairman next month?

Chair Hamilton: That is correct.

Johnson: Are we ready for my comment?

Ruiz: We are in New Business so may I ask a question, Chair, in regards to Max's replacement? We have advertised the open position six times in the newspaper, and we've received one applicant so I wanted to ask the Chair and the Committee if you wanted me to continue to advertise, or submit that name to the Mayor for appointment?

Chair Hamilton: Alma, my personal opinion is to go ahead and submit. I don't know what those newspaper ads run, but they're expensive and if we have an applicant that fits the criteria, which I think he does. I think it's Brian Crawford, if I'm not mistaken?

Ruiz: I believe it is, either way, should we submit it?

Chair Hamilton: Yes. Let's go ahead and get the progress rolling here. We need to fill the Committee when we have an absence and we've got a warm body that's willing to serve. I want to put them in place if they're capable.

Rouse: It is Mr. Crawford.

Ruiz: Okay.

Chair Hamilton: That comes with a recommendation of the Las Cruces Homebuilders Association. That fills the void for Max. We're going to miss you, Max. You've brought a lot of good information and good-spirited about things, we appreciate it.

Vice-Chair Bower: I've had a good time.

Johnson: We'll have a good time for him. Help out the next class.

## **6. Public Participation:**

John Moscato of Sierra Norte Development and Las Cruces Homebuilders Association.

## **7. Committee General Discussion:**

Chair Hamilton: Our next meeting will be April 21, 2016.

Johnson: I'd like to comment. One, I want to thank Chief Brown from me. Then some sad news, a friend of mine who was a Board member named Chrys Uhlig passed on from cancer a week ago Tuesday. I knew Chrys, he was an engineer from Gallup. It's hard to say when you only know a man for three years like I knew him, but he became like a brother to me. I saw him two days before he passed and he was always interested in what you did, even in his last days. I just want to thank you for everybody who sent cards, food, and kept in contact with him. He'll be missed. Thanks.

Chair Hamilton: Thank you, Ron. Is there any other business to come before this meeting today?

Johnson: We should congratulate our outgoing Chairman. Have you seen the cloud lift up over his head and move over here?

Beerman: In this short time, I've really been impressed with the way you've run the meetings and addressed the issues.

Chair Hamilton: Thank you, Bill. I appreciate it.

Chief Brown: Mr. Chairman, I would like to say, on behalf of the Police and Fire Department, thank you to the Committee for working with us. I'm glad to hear that you as well as some members of the public feel that the process that we've used has been beneficial. We're very appreciative that you have worked with us, thankful that you did allow us to bump our timeline up a little bit, and appreciate the fact that you were willing to work with us throughout this entire process. Again, we have always seen it as this body trying to provide due diligence to City Council. That's your charge, we've never taken anything other than that away from it, so I would like to thank you as Chairperson for the last year and one-half, or however long it's been that we've been working on this. For your guidance and direction and helping us get to this point where we are at least able to move forward and take this question to City Council ultimately for them to make a decision on, whatever that decision is, within the timeline that we needed to meet the ordinance as well as hopefully prior to my departure, so that Deputy Chief Dunivan and Fire Marshal Sweetzer don't have to come in at the last minute and start making these presentations after I'm gone.

Thank you to the Committee and to you for your guidance as a Chair.

Chair Hamilton: Thank you very much, Travis. Any other business, any comments?

## **8. Adjournment.**

Chair Hamilton: If not, I'll entertain a motion.

Johnson: I'll move.

Chair Hamilton: Second?

Beerman: Second.

Chair Hamilton: All in favor? Aye.

Beerman: Aye.

Vice-Chair Bower: Aye.

Meeting was adjourned at approximately 3:52 PM.

 4/21/16  
\_\_\_\_\_  
Ronald Johnson Date  
CIAC Chair